



ANALYSIS OF CULTURAL INTERACTIONS AMIDST THE RISE OF DIGITAL-BASED ECONOMIC MARKETS IN MEDAN CITY

Putri Filza Salsabila Surbakti¹, Astri Sri Rezeki Harahap², Cut Angraini³, Indah Purnama Sari⁴

^{1,2,3,4}Universitas Islam Negeri Sumatera Utara, Indonesia

*Corresponding Author: putrifilza17@gmail.com

Article Info

Article history:

Received :

Accepted :

Published :

Available online

<http://aspublisher.co.id/index.php/perspektif>

E-ISSN: 3063-3494

How to cite:

Hamdani et al., (2024). "Analysis of Cultural Interactions Amidst the Rise of Digital-Based Economic Markets In Medan City ". *Perspektif: Journal of Social and Library Science*, vol. 2, no. 3, pp. 142-147, 2024. doi: 10.70489/perspektif.



This is an open access article under the [CC BY-SA](https://creativecommons.org/licenses/by-sa/4.0/) license

ABSTRACT

This research aims to analyze cultural interactions between traders and buyers at the Medan Central Market in facing the rise of digital-based economic markets. Digital transformation and the growth of e-commerce have had a significant impact on trade patterns and consumer behavior, especially in traditional markets. The research method used is a qualitative approach with data collection techniques through in-depth interviews, participant observation and documentation. The research was conducted at the Medan Central Market with research subjects including textile wholesalers and consumers. The research results show that although digitalization has made transactions easier and expanded market reach, many traditional market traders have experienced a decline in income of up to 50% due to reduced customers. However, cultural interactions involving the bargaining process and personal relationships between traders and buyers remain the advantages of traditional markets. On the other hand, the adoption of digital technology by some traders is starting to help increase their competitiveness, although they are still hampered by digital infrastructure and literacy. This research emphasizes the importance of government support in providing digital training and infrastructure, as well as the need for a balanced adaptation strategy to maintain the cultural value of traditional markets in the digital era.

Keywords: traditional markets, e-commerce, digitalization, cultural interaction

1. INTRODUCTION

Advances in internet technology have significantly changed human existence in all fields. This is due to the fact that consumers can learn a lot from websites on the internet. The influence of technological advances, especially the internet, has become the main driver for the e-commerce phenomenon. The wider spread of the internet and increasingly sophisticated technology have enabled the development of e-commerce platforms and

facilitated online transactions. In Indonesia, e-commerce platforms are growing rapidly because of their affordability and ease of use. According to a report from the Indonesian Internet Service Providers Association (APJII), the number of internet users in Indonesia continues to increase, with more than 200 million active users in 2023 (APJII, 2023). Amid this growth, the e-commerce sector is estimated to reach a transaction value of more than USD 60 billion in the same year. This shows that people are increasingly turning to online shopping, which has the potential to shift traditional consumption patterns. Meanwhile, sales in traditional markets with the presence of e-commerce caused a decrease in the number of consumer visitors to traditional markets which resulted in sales levels decreasing. This is because there is sales competition that occurs on e-commerce platforms which offer very large discount promotions to consumers, thus having a huge impact on traders in traditional markets.

Traditional markets as one of the nation's cultural heritages are based on Article 32 paragraph (1) of the 1945 Constitution of the Republic of Indonesia which states "The State advances Indonesian national culture amidst world civilization by guaranteeing the people's freedom to maintain and develop their cultural values". Based on these constitutional provisions, the state has an obligation to advance Indonesian national culture, one of which is by maintaining and maintaining traditional markets in Indonesia as a manifestation of cultural identity and one of Indonesia's national cultures. Traditional markets are the most strategic place in developing culture, especially culture of interaction and communication, as well as maintaining local wisdom values that live through traditional market facilities. The Indonesian state respects the existence of cultural identity through constitutional provisions regulated in Article 28 I paragraph (3) of the 1945 Constitution of the Republic of Indonesia which states that "Cultural identity and the rights of traditional communities are respected in line with the development of the times and civilization".

One of the traditional markets in the city of Medan, namely the Central Market or Central Market, was built on April 2 1931 and completed on December 31 1932 or approximately 21 months. In 1931 the construction of the Market Center was almost threatened with stalling due to the emergence of "malaise" or economic depression. An economic disruption that causes the number of poor people to increase, a number of traders to go out of business, the number of unemployed to increase and crime to spread. Even so, finally the Central Market was completed and inaugurated on February 24 1933.

Based on observations at the Medan Central Market, cultural interactions between traders and consumers are still very strong with traditional practices. Despite the influence of technological developments and e-commerce, many traders still maintain buying and selling methods that have existed for a long time, such as bargaining. This bargaining process is not only a way to determine prices, but is also part of cultural and social interactions that strengthen the relationship between traders and consumers. Merchants often greet consumers in a friendly manner, offer their products with detailed explanations, and provide opportunities for consumers to haggle over prices. This creates an intimate and personal atmosphere, where consumers feel more involved in the purchasing process. Although some traders are starting to try to utilize social media to reach a wider range of customers, many of them still prefer to sell directly at markets, because they believe that face-to-face interaction and bargaining are an important part of

the shopping culture at traditional markets. Despite the challenges of e-commerce, traditional culture at the Medan Central Market still survives and is a characteristic of the shopping experience at the market.

Based on the background described, researchers are interested in researching "Cultural Interaction Analysis Amid the Rise of Digital-Based Economic Markets in Medan City (Case Study of Textile Wholesalers in Medan Central Market).

2. RESEARCH METHOD

Based on the research focus, the approach used is qualitative. This type of research is field research. This research uses a qualitative approach because it aims to understand in depth the phenomenon of cultural interaction amidst the rise of digital-based economic markets in traditional markets. This research uses primary and secondary data sources, the primary data for this research comes from direct observation and in-depth interviews with textile wholesalers at the Medan Central Market, as well as consumers who shop at the market. And secondary data was obtained from various relevant sources, such as previous research reports, articles, government data related to the development of the digital economy in Medan City, as well as literature regarding the digitalization of traditional markets.

3. RESULT AND DISCUSSION

Description of Research Location

Pusat Pasar (also known as Central Tax or Tua Pa Sat) is a large market located in Pusat Pasar, Medan City, Medan City, Indonesia. In a Gemeenteraad session on April 29 1929, construction began on April 2 1931, but was hampered due to the economic crisis that occurred that year. Construction was only completed on December 21 1932. The Market Center was opened for the first time on March 1 1933. The market complex divided into four buildings. In the early years, the Market Center stalls were not occupied by many traders due to poor economic conditions and the reason that moving the stalls from their original location to the Market Center would be a hassle. To overcome this problem, in 1942 kiosk rental fees were reduced to the lowest possible level and the payment amount was adjusted to the renter's ability.

The inauguration event was carried out and marked by holding a Night Market event from February 24 to March 4 1933. The Night Market was chosen considering that at that time, this activity was very popular among the public. Apart from offering various goods with special discounts, the Night Market event also hosts various folk entertainment. Starting from musical performances, operas, film screenings to games with prizes. There were 98 business stands participating in the 1933 Medan Night Market event.

Analysis of Cultural Interactions Amidst The Rise of Digital-Based Economic Markets at Pasar Ikan Lama

The market is one of the centers of community economic activity, in which there are sellers and buyers who interact with each other. The existence of online markets that influences the position of traditional markets is the proliferation of e-commerce in Indonesia. Digitalization has changed the way of transactions and interactions. Merchants

are starting to leverage e-commerce platforms and social media to reach a wider range of consumers, improve operational efficiency and strengthen their competitiveness. However, challenges such as the digital divide and the need to adapt to technology have also emerged. This research emphasizes the importance of government support in strengthening digital infrastructure to support MSMEs in the digital era. Many merchants are experiencing significant revenue declines, often reaching 20-50%, as consumers prefer the convenience of online shopping. The low price competitiveness of traders in traditional markets compared to modern markets is their inability to take advantage of discount opportunities applied by wholesalers for large-scale purchases as is done in online markets. In traditional markets there is still a price haggling process which allows for personal emotional closeness between sellers and buyers which is impossible to obtain when shopping online.

Meanwhile, the technological gap with traditional markets is becoming increasingly apparent. The majority of traditional markets still rely on manual recording systems and conventional cash transactions. Limited digital infrastructure, minimal understanding of technology among traditional traders, as well as cost constraints for implementing technology are the main obstacles in adopting digital solutions. This gap is further exacerbated by limited access to capital and training needed for digital transformation. Changes in consumer preferences in the digital era also have a significant impact on market competition patterns. Modern consumers increasingly demand ease and speed in transactions, price transparency, and an integrated shopping experience between offline and online. The modern market is able to meet these demands through the implementation of various digital services such as self-checkout, digital price checkers, and integration with e-commerce platforms.

This convenience has changed consumer expectations regarding retail service standards, which indirectly influences their perception of traditional markets. Facing the demands of the digital era, several traditional markets have begun to adapt, although on a limited scale. These adaptation initiatives include using digital payment applications, joining e-commerce platforms to reach online consumers, and using social media for promotions. Several traditional markets have also adopted it

While digital transformation brings major challenges to traditional markets, it also opens up opportunities for innovation and adaptation. The success of digital adaptation of traditional markets will depend heavily on policy support, access to digital infrastructure, and traders' readiness to adopt new technology. It is important to find a balance between maintaining traditional values that are the advantages of traditional markets and adopting digital innovations that can increase their competitiveness in the modern era.

The results of the interviews above indicate that according to consumers shopping online and shopping in traditional markets, their time is more flexible, for example, when they just sit down they can order goods and get discounts. If you shop at a traditional market, it takes time to go to the market, but the advantage is that we can see the goods and ingredients in person and can also negotiate the price, while online you can't. The result of the interview is that the impact of the increase in online stores is very significant, due to competition from platform e-commerce. Although most transactions are still carried out offline because customers prefer to feel and hold textile materials directly

before buying. This interview shows the challenges faced by traditional traders in facing the digital era and the importance of adaptive marketing strategies to survive in an increasingly competitive industry.

"The Impact of Social Media" Research by Mujianto and Nurhadi (2023) investigated the impact of social media on the formation of culture, showing changes in the behavior of digital users.

"Analysis of the Impact of Online Shops on Income of Clothing Traders in Pasar Lama Payabungan, Mandailing Natal Regency" Research by Vivi Angriani (2024), many consumers switched to online shopping because of the convenience and more competitive prices, resulting in a decrease in customers in traditional markets.

"Survival Strategies for Conventional Traders in the Digital Era" Research by Maharipta Rezha Prayinto (2021), Many traders do not have sufficient skills to utilize digital technology effectively, hampering their ability to compete.

4. CONCLUSION

Based on research conducted, the presence of online shops has had a negative impact on the income levels of traditional market traders, namely experiencing a decrease in income, which was previously sufficient but now decreases every day after the online shop is available. So traders need to adopt digital technology to increase competitiveness and reach more consumers. Traders do not only rely on direct sales in stores, but also utilize online platforms to reach a wider range of consumers, including outside the region. Merchant and consumer interactions are shifting to digital communication, which allows a faster and more efficient exchange of information, despite challenges such as limited emotions in written communication. Merchants are adapting to the new digital culture, including understanding consumer behavior who prefer the convenience of online shopping. Merchants attempt to adjust prices to be more competitive with those offered by online platforms, although this is often difficult due to higher operational costs. Hold seasonal promotions or discounts to attract customers, focus on better service including a pleasant shopping experience and interact directly with customers, to attract consumers back to physical stores.

References

- Abdillah, F. (2024). Dampak Ekonomi Digital Terhadap Pertumbuhan Ekonomi di Indonesia. *BENEFIT: Jurnal Of Business, Economics, And Finance*, Vol. 2(Issue. 1), Page. 27-35.
- Andara Muhlisidina, Indah Nurjanah, Nurlita Novitasari, dan T. W. W. A. (2022). Analisis Transformasi Budaya Digital Era Pandemi Covid-19 di Indonesia. *Academia Edu*.
- Dwika, dkk, (2024). Pengaruh pasar modern terhadap pasar tradisional di era digital. *7*, 16218-16223.
- Fahmi, S., & APRIALDI, D. (2021). Model Pengaturan Yang Efektif Terkait Pengelolaan Pasar Tradisional Di Indonesia. *Jurnal Hukum Samudra Keadilan*, 16(2), 282-292.
- Hutagaol, A. d. (2024, November). ANALISIS PENGARUH DIGITALISASI TERHADAP UMKM DI KOTA MEDAN. *EKUILNOMI: Jurnal Ekonomi Pembangunan*, 06 No 03. doi:DOI: <https://doi.org/10.36985/kgvmaq881>

- Insani, F. (2021). ANALISIS E-COMMERCE SEBAGAI EKONOMI DIGITAL DALAM MENDORONG PERTUMBUHAN PEREKONOMIAN KOTA MEDAN DI TENGAH PANDEMI COVID-19 (STUDI KASUS PADA UMKM DI KOTA MEDAN). Universitas Islam Negeri Sumatera Utara.
- Irbah, N., & Khairina, N. (2023). Peamanfaatan Aplikasi Online dalam Digitalisasi Pasar Tradisional di Kota Medan, Provinsi Sumatera Utara. ATASI: Adopsi Teknologi dan Sistem Informasi, Vol. 2.
- Maritha, D. (2023). Ekonomi Digital. Jurnal Transformasi Administrasi, 13(01), 1–14. <https://doi.org/10.56196/jta.v13i01.249>
- Mustaqim, M. (2016). Paradigma Perilaku Sosial Dengan Pendekatan Behavioristik (Telaah Atas Teori Burrhusm Frederic Skinner). Al-Mabsut: Jurnal Studi Islam dan Sosial, 10(2), 503-513.
- Novianti, I. A., Purwanti, I., & Pratama, V. Y. (2024, Mei). DAMPAK JUAL BELI ONLINE TERHADAP PASAR TRADISIONAL (Studi Kasus Pasar Kedungwuni). Jurnal Sahmiyya, 3 No 1.
- Rahmania, N. L. (2023). strategi bersaing pasat tradisional di era digital (studi pada pasar warujayem tanjung anom nganjuk. Institut Agama Islam Negeri Ponorogo.
- Septiani, B. V., Yafiz, M., & Aslami, N. (2023, oktober). Analisis Penyerapan Tenaga Kerja Melalui Ekonomi Digital di Kota Medan (Studi Kasus pada UMKM di Kota Medan). Regress: Journal Of Economics & Management, Vol. 3(Issue. 2).
- Wignjosasono, K. W. (2022). Transformasi Sosial Budaya Masyarakat Pasca Pandemi Covid 19. Sebatik, 26(1), 387–395.
- Yahya, A., Ali, H., & Pohan, M. A. (2024, Juli). Analisis Pengaruh Teknologi Terhadap Pertumbuhan Ekonomi di Kota Medan Thun 2020-2023. MUQADDIMAH: Jurnal Ekonomi, Mnajemen, Akuntansi dan Bisnis, Vol. 2.